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2013 Session

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The Economic Impact of Increased Production at the Spring Creek Mine

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BUREAU OF BUSINESS ECONOMIC RESEARCH

ABOUT THE BUREAU OF BUSINESS AND ECONOMIC RESEARCH

The Bureau of Business and Economic Research has been providing information about Montana's state and local economies for more than 50 years. Housed on the campus of The University of Montana-Missoula, the Bureau is the research and public service branch of the School of Business Administration. On an ongoing basis, the Bureau analyzes local, state, and national economies; provides annual income, employment, and population forecasts; conducts extensive research on forest products, manufacturing, health care, and Montana Kids Count; designs and conducts comprehensive survey research at its on-site call center; presents annual economic outlook seminars in cities throughout Montana; and publishes the award-winning Montana Business Quarterly.

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What would the economy of Montana look like if coal production at an existing facility in our state were to significantly increase? Montana's reserves of Powder River Basin coal are vast, and a significant expansion of production in the state could occur through more production at the mines already in operation. The growing demand for coal in Asia is the likely direction such new production would be headed.

This report summarizes the findings of an investigation into the likely impacts on the Montana economy of a significant expansion in coal production at the Spring Creek mine operated by Cloud Peak Energy near Decker, Montana. The Bureau of Business and Economic Research at The University of Montana, using a state-of-the-art policy analysis model, analyzed the employment, income, production, and other economic flows that would result from a hypothetical 20 million tons per year increase in mine output. The analysis indicates that such an expansion, if it were to take place, would have a sizable impact on employment, income, production, population, and tax revenues in the state of Montana.

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The Economic Impact of Increased Production at the Spring Creek Mine

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